

COMMON QUESTIONS AND ANSWERS — ALTERNATE BENEFIT PROGRAM (ABP)

What are the names of the colleges and agencies that are eligible to participate in the ABP?

ATLANTIC Community College

BERGEN Community College

BROOKDALE Community College

BURLINGTON County College

CAMDEN County College

COMMISSION on Higher Education

CUMBERLAND County College

COLLEGE (The) of NJ

DEPARTMENT of Education

(limited positions — refer to ABP Section)

ESSEX County College

GLOUCESTER County College

HUDSON County Community College

JERSEY CITY State College

KEAN College of NJ

MERCER County Community College

MIDDLESEX County College

MONTCLAIR State University

MORRIS (County College of)

NJ INSTITUTE of TECHNOLOGY

OCEAN County College

OFFICE OF Student Assistance

PASSAIC County Community College

RAMAPO College of NJ

RARITAN Valley Community College

RICHARD STOCKTON College of NJ

ROWAN College of NJ

RUTGERS, The State University

SALEM Community College

SUSSEX County Community College

THOMAS EDISON State College

UNION County College

UNIVERSITY of MEDICINE AND
DENTISTRY of NJ

WARREN County Community College

WILLIAM PATERSON College of NJ

Who are the current six authorized carriers for the ABP?

AETNA LIFE Insurance and Annuity Company

1-800-558-6466

1040 First Avenue

P.O. Box 61548

King of Prussia, PA 19406

LINCOLN LIFE Insurance Company

1-800-445-2448

710 Route 46, Suite 103

Fairfield, NJ 07004-1540

METROPOLITAN LIFE Insurance Company

1-800-492-2553, ext. 1729

One Madison Avenue

New York, NY 10010

TEACHERS Insurance and Annuity Association/
COLLEGE RETIREMENT Equities Fund

1-800-842-8412

730 Third Avenue

New York, NY 10017

TRAVELERS Insurance Company represented
by the COPELAND Companies

1-800-545-0108

Metro Corporate Campus 1

99 Wood Avenue South, Suite 301

Iselin, NJ 08830

VARIABLE ANNUITY Life Insurance Company

1-800-44-VALIC (448-2542)

90 Woodbridge Center Drive, Suite 410

Woodbridge NJ 07095

ALTERNATE BENEFIT PROGRAM (ABP) COMMON QUESTIONS AND ANSWERS

What is the ABP?

ABP provides retirement annuities, non-contributory life insurance, and long term disability insurance for certain higher education employees.

Who is eligible for ABP?

Eligibility is limited to full-time officers, faculty and administrative personnel who are required to possess a bachelor's degree at state or county colleges and certain other state agencies involved with higher education. This includes visiting professors and faculty paid by federal grant. It does not include adjunct faculty.

What is higher education?

The term used for describing the State and County colleges, universities, the Commission on Higher Education, and the Office of Student Assistance.

Is the ABP a state-administered retirement plan?

Yes.

How is the retirement allowance calculated?

ABP retirement benefits are based on the value of the member and employer contributions plus any interest or accumulation on those contributions (not years of service and salary). Payout is made by the various investment companies authorized by the ABP which receive member and employer contributions monthly while the member is employed. There is no disability retirement but there is long-term disability insurance.

How can an ABP member purchase service credit?

Since members are accumulating dollars, not service credit, there is no purchase permitted.

Can an ABP member continue State Health Benefits Program coverage in retirement?

Yes. Those with 25 years of service credit receive state-paid health benefits. Others can authorize health benefits deductions from their investment carrier.

Does the ABP offer active life insurance coverage?

Yes. The ABP provides non-contributory life insurance in an amount equal to 3-1/2 times annual salary.

NOTE: any active member over age 70 only has life insurance coverage equivalent to 1/2 of his/her salary.

Are contributions tax sheltered?

Employee contributions, employer contributions and investment income (if any) are tax sheltered.

How much does my employer contribute?

8% of the member's contractual base salary.

How much do I contribute?

You must contribute at least 5% of base salary.

May I contribute more?

Yes, up to the maximum amount allowable under the IRS rules.

May I take a loan?

Yes. Each carrier provides loans and can provide you with specific information on loan provisions (contact your carrier).

When do I vest?

If you transfer from PERS or if you have an existing annuity contract with an authorized carrier, you are immediately vested. Participants not meeting these specific criteria vest after 12 months of continuous participation. Contact the ABP Office, (609) 777-0887, for specific dates.

What investment choices do I have?

You may choose among six authorized carriers offering various annuity investments approved by the Division of Pensions and Benefits for ABP participants. Contact the carriers for more information.

Do I have income loss protection through a disability plan?

Yes, the ABP offers you employer-paid coverage through a group disability plan. You are eligible after 12 months of continuous ABP participation.

Is there a minimum retirement age with the ABP?

No. You may begin collecting your annuity any time after termination of employment. However, if you take any distribution you will be considered retired by the ABP.

What if I want to return to employment after retirement from the ABP?

We will send you Fact Sheet #38, which provides this information.

I am currently a member of PERS and am considering transferring to the ABP. What considerations should affect my decision?

We publish a booklet titled "*Considerations for Choosing Between PERS and ABP*". It is available from your employer or we can send it to you.